

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
High-Cost Universal Service Support,)	WC Docket No. 05-337
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
Lifeline and Link Up)	WC Docket No. 03-109
Universal Service Contribution Methodology)	WC Docket No. 06-122
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions in the Telecommunications Act of 1996)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
Intercarrier Compensation for ISP-Bound Traffic)	CC Docket No. 99-68
IP-Enabled Services)	WC Docket No. 04-36
Numbering Resource Optimization)	CC Docket No. 99-200

**REPLY COMMENTS OF THE
RURAL ETCs in ARKANSAS (RATS)**

Come Arkansas Telephone Company, Inc.; Central Arkansas Telephone Cooperative, Inc.; Madison County Telephone Company; Magazine Telephone Company; Mountain View Telephone Company, Northern Arkansas Telephone Co., Inc.; Pinnacle Communications; Prairie Grove Telephone Company, Rice Belt Telephone Company, South Arkansas Telephone Company, Inc.; Southwest Arkansas Telephone Cooperative, Inc.; and Yelcot Telephone Company, all being rural ETCs in Arkansas (hereinafter "RATS"), by and through their attorney, David Kizzia, and for their Reply Comments on the FCC's Notice of Proposed Rulemaking (NPRM), state:

1. RATS continue to support the position taken in their initial Comments. The issues faced in USF reform and Intercarrier Compensation Reform are complex. Quick solutions that are implemented without due deliberation and a phased-in implementation could lead to

economic and communication disasters that could adversely affect the nation and especially rural areas. A slow cautious approach is especially important during this time of recession and financial disaster brought about by federal policy changes that had unintended consequences.

2. RATS have reviewed the Comments filed by the National Exchange Carriers Association (NECA). Of all the other Comments filed, RATS feel that NECA has the most reasonable and logical approach to USF Reform and Intercarrier Compensation Reform.

Specifically, RATS agree with the following positions of NECA that the Commission **should**:

- a. Use a federal restructure mechanism funding to achieve unification of Interstate access and Intrastate Access charges on a voluntary basis;
- b. Address phantom traffic and access pumping by adopting the call signaling and financial responsibility rules proposed in the *Further Notice*, and at the same time use Section 205 and certification controls to quantify actual demand levels;
- c. Set moderate increases in subscriber line charges in conjunction with a federal benchmark mechanism;
- d. Use a continued rate of return commitment for carriers that deploy broadband services throughout their service territories; and
- e. Eliminate the identical support rule with cost-based support targeted to rural and high costs areas.

3. RATS agree with NECA that the Commission **should not**:

- a. Impose study-area specific caps or freezes on universal service support to RoR ILECs due to such caps or freezes actually eliminating rate of return, which is important to have for comparable services in rural areas;
- b. Use reverse auctions to establish eligibility for USF;
- c. Improperly classify any IP/PSTN services as information services without considering the specific nature of the service;
- d. Impose an “additional costs” standard that appears to produce unreasonably low rates for rural RoR carriers;

- e. Adopt unnecessarily harsh provisions that require carriers to charge uniform statewide rates that do not take into consideration the network costs of individual carriers; and
- f. Prematurely implement rate reductions prior to having replacement support mechanisms in place and operating.

4. In addition, RATS support NECA's request that the Commission use later proceedings to resolve issues on unification of reciprocal compensation rates and access charges. RATS also support such future proceedings focusing on sustainable network interconnection, pricing and universal service rules for the multi-service, all-packet, broadband networks that exist today.

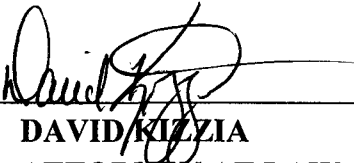
5. Overall RATS feels the NECA position is the most prudent approach to complex problems that establishes a deliberate and cautious implementation of complex solutions to very complex problems to prevent unintended consequences that are against the best interest of our nation and especially rural America.

WHEREFORE, the RATS pray the three proposals be rejected or modified to reflect the changes proposed in RATS initial Comments and these Reply Comments; that the Commission note RATS support of NECA's positions; and further for all other just and proper relief to which they may be entitled.

Respectfully submitted,

Arkansas Telephone Company, Inc
Central Arkansas Telephone Cooperative, Inc.
Madison County Telephone Company
Magazine Telephone Company
Mountain View Telephone Company
Northern Arkansas Telephone Co., Inc.
Pinnacle Communications
Prairie Grove Telephone Company
Rice Belt Telephone Company
South Arkansas Telephone Company, Inc.

Southwest Arkansas Telephone Cooperative, Inc.
Yelcot Telephone Company,

BY: 

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CERTIFICATE OF SERVICE

I, David Kizzia, hereby certify that a true and correct copy of the above and foregoing has
been served on the following individuals on this 2nd day of December, 2008:

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